

Z 020934Z AUG 90 ZFF4
FM SECSTATE WASHDC
TO ALL DIPLOMATIC AND CONSULAR POSTS FLASH
SPECIAL EMBASSY PROGRAM

UNCLAS STATE 254152

E.O. 12356: N/A

TAGS: [ETTC](#) [PARM](#)

SUBJECT: TFI GEN: BLOCKING IRAQI ASSETS AND PROTECTION
OF KUWAITI ASSETS

1. (C) ENTIRE TEXT

2. THE INVASION OF KUWAIT BY IRAQ MAY IN PART BE AN ATTEMPT TO SEIZE KUWAITI GOVERNMENT ASSETS. TO PREVENT THAT, ADDRESSEE POSTS ARE REQUESTED TO MAKE THE FOLLOWING POINTS IMMEDIATELY WITH THE HIGHEST LEVEL POSSIBLE IN THE HOST GOVERNMENT.

3. THE PRESIDENT HAS DECIDED WITH IMMEDIATE EFFECT TO FREEZE ALL KUWAITI GOVERNMENT ASSETS WITHIN THE JURISDICTION OF THE UNITED STATES OR WITHIN THE POSSESSION OR CONTROL OF UNITED STATES PERSONS IN ORDER TO PROTECT THOSE ASSETS. THIS WOULD INVOLVE ANY GOVERNMENT OF KUWAITI ASSETS HELD IN OVERSEAS BRANCHES OF U.S. FIRMS.

4. IN ADDITION, WITH IMMEDIATE EFFECT, THE PRESIDENT HAS FROZEN ALL IRAQI GOVERNMENT ASSETS WITHIN THE JURISDICTION OF THE UNITED STATES, AND PROHIBITED ALL EXPORTS TO AND IMPORTS FROM IRAQ, INCLUDING ALL TRANSFERS OF CURRENCY, SECURITIES OR OTHER FINANCIAL INSTRUMENTS TO OR FROM BANKING OR FINANCIAL INSTITUTIONS, AND HAS TERMINATED ALL EXISTING COMMERCIAL CONTRACTS.

5. IN ORDER TO PROTECT KUWAITI GOVERNMENT ASSETS FROM FALLING INTO IRAQI HANDS AND TO BRING PRESSURE ON IRAQ TO WITHDRAW, THE UNITED STATES REQUESTS THAT ALL NATIONS TAKE SIMILAR ACTIONS IMMEDIATELY.

6. TREASURY HAS NOTIFIED ITS FINANCIAL ATTACHES IN SELECTED CAPITALS OF U.S. ACTIONS AND REQUEST FOR COMPLEMENTARY HOST NATION ACTIONS. IN THOSE COUNTRIES, WE ALSO WANT TO DOUBLETRACK IN FOREIGN MINISTRIES.

7. FOR YOUR INFORMATION, THESE PROHIBITIONS APPLY TO PERSONS AND ENTITIES WITHIN THE UNITED STATES OR WITHIN THE CONTROL OR POSSESSION OF U.S. PERSONS, INCLUDING OVERSEAS BRANCHES OF U.S. PERSONS. IF ASKED, PLEASE INFORM COUNTRY THAT AT THIS TIME THIS ORDER DOES NOT/NOT EXTEND TO OVERSEAS SUBSIDIARIES OF US PERSONS.

8. GIVEN THAT EUROPEAN MARKETS ARE NOW OPEN, SO SPEED IN MAKING CONTACT WITH HOST GOVERNMENT IS IMPERATIVE. THE TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL WILL MAKE A PUBLIC ANNOUNCEMENT OF THESE CONTROLS AT 0800 EST AUGUST 3.

KIMMITT